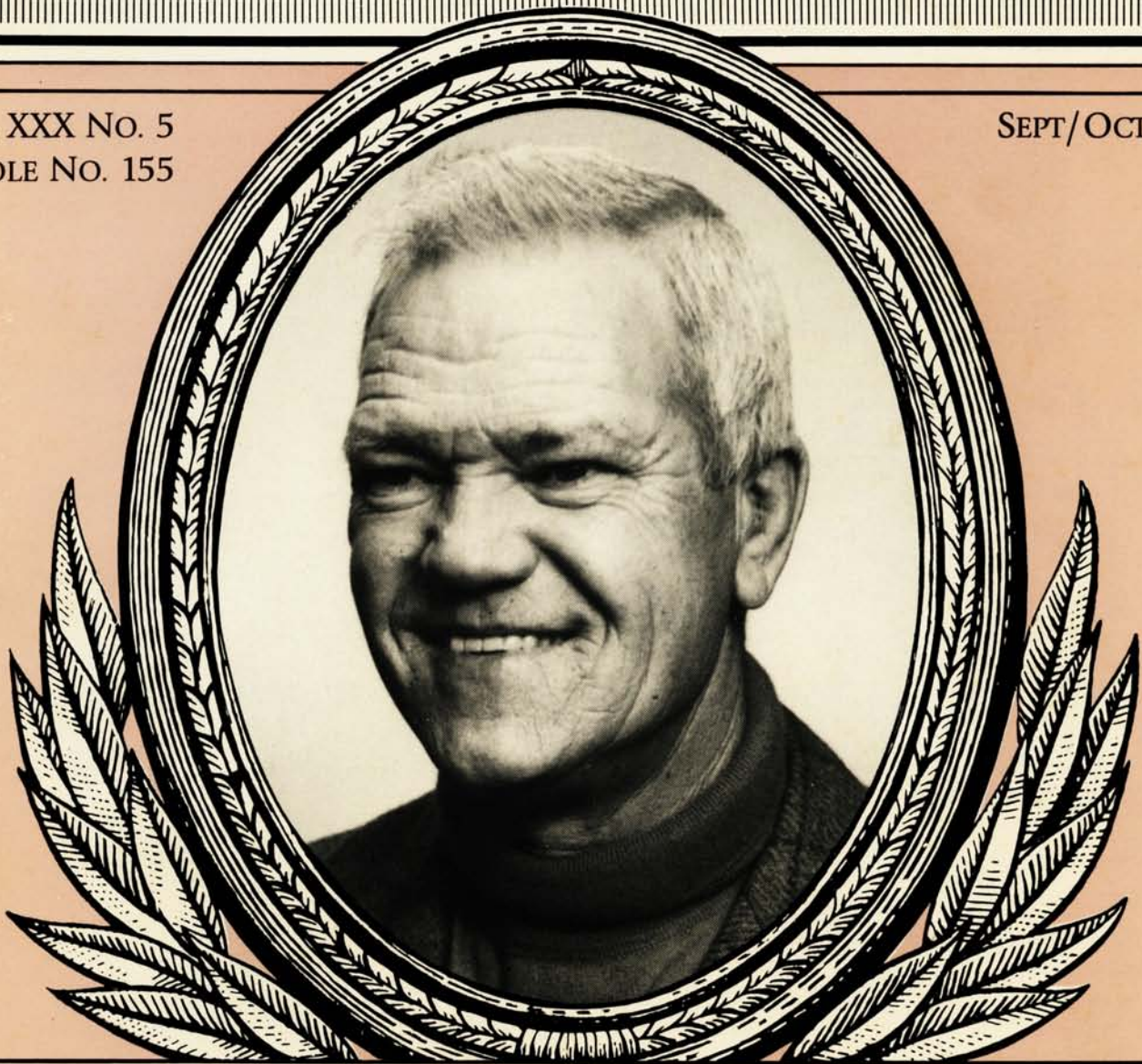


# PAPER MONEY

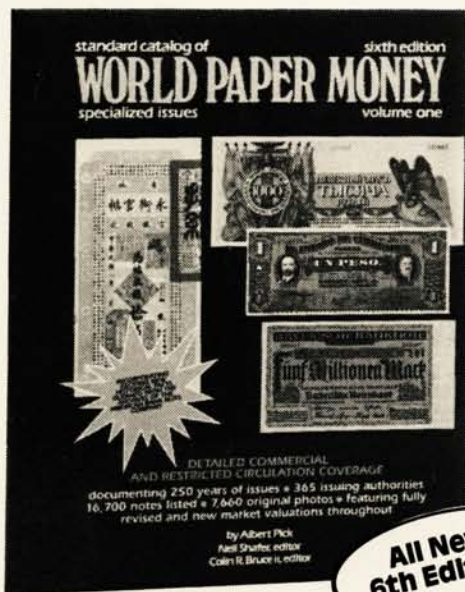
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SEPT/OCT 1991



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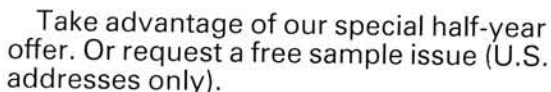
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## Tales of the Secret Service

# THOMAS BALLARD, GENIUS COUNTERFEITER

BRENT HUGHES

The U.S. Secret Service was established on July 5, 1865 with William P. Wood as its first chief. Initially his staff consisted of ten agents, or "operatives" as they were called, who succeeded in arresting about 200 counterfeiters a year, but Wood himself turned out to have major problems. In 1869 his resignation was "requested" and the agency was placed under the leadership of Herman C. Whitley.

The new chief moved his headquarters to New York where he and his men arrested 1,200 counterfeiters during Whitley's first three years. They could thereby claim that they had broken the back of America's massive counterfeiting industry before Whitley left his post in 1874.

ONE of the highlights of Whitley's five year tenure was his successful battle with the notorious Ballard family, led by the eldest son Thomas. The case was a classic which had all the elements of a suspense novel.

The Ballard parents had both come from good Boston families. They had five sons—Thomas, John, William, Benjamin and George. The father was a superb artist with the unusual occupation of "carriage painter." It was he who provided the final touches to the elegant horsedrawn carriages that had been custom made for wealthy New Yorkers. Ballard designed and applied the ornate monograms, fancy stripes and scrollwork, sometimes in pure gold leaf. The craft required great talent, imagination, intelligence and the ability to converse with demanding customers. Thomas Ballard would prove to have all of these qualities in abundance as he followed his father into the same work.

The father taught each son the basics of his profession but none ever approached the skill of Thomas. No one knew it at the time but Thomas would eventually be called a genius in many fields including chemistry, metallurgy, electricity, photography, paper making and, of course, steel plate engraving. At first he was content to stripe carriages but, even though he was making good money, he seemed to be always short of enough funds to satisfy his needs. He was eighteen years old and already a master craftsman working for Henry Hinman, a carriage builder with a factory at 48 Lower Broadway, New York City.

Hinman was the uncle of the wife of a shrewd operator named Joshua D. Miner who earned a fine living by supplying sand and gravel to the city of New York. Miner was an excellent politician, knew all the city fathers well and appeared to be the most respectable of men. But his wealth came from a carefully concealed source—he was up to his ears in the counterfeiting of U.S. currency.

Miner happened to be in Hinman's factory one day inspecting his new carriage that Tom Ballard was finishing. He watched in

awe as Ballard's talented hands painted the elaborate JDM monogram on the carriage door. What a fine engraver this young man could be, he thought. He made such a suggestion to Tom, who instantly took Miner up on his offer to send him to engraving school. A few months later the clever Miner had his own skilled engraver ready to do his bidding.

Miner was an associate of the notorious Harry Cole, and Tom Ballard was soon urged to try his hand at making a plate for printing counterfeits of the \$1 U.S. Treasury Note. It was a good first effort so he was allowed to cut a plate for the \$2 note of the National Shoe and Leather Bank of New York City. Talent will out, as they say, and Tom soon moved up to make plates for \$10 bills of some National Banks of Poughkeepsie, NY.

Miner and his distributor, Harry Cole, were delighted with Tom's work and in short order gave him the job of engraving plates for the \$20 bill of the Shoe and Leather Bank. The notes passed easily so Cole's shovers asked for more. Ballard soon progressed to the \$100 and \$500 U.S. Treasury Notes, the ultimate compliment.

The group was rolling in money. They took full advantage of what was called the "excitement, change, hurry and confusion" brought on by the Civil War. The federal government's Treasury Department was still learning the ropes of currency production and placed in circulation a bewildering array of financial paper. Miner's group counterfeited everything and it easily passed among confused bankers and citizens. Hinman was brought in as finance manager and the output of counterfeits was enormous.

In July 1871 Thomas Ballard fell in love with Miss Julia Avey and they were married in a splendid ceremony. The new bride and her family knew nothing of Tom Ballard's illegal activities, although they might have wondered at the amount of money a carriage painter could make. The couple bought a house at 225 W. 53rd Street and settled down.

Every morning at seven Tom Ballard left his home and walked toward the carriage factory. Along the way he quietly detoured to 256 Rivington Street where he joined his brother John in producing counterfeit notes. It was a cozy arrangement. John was still single so he brought in his aunt, Ann Adams, to oversee the household. Ann knew what was going on, of course, but her contribution seems to have been the serving of a hot lunch to her two nephews. Gradually, other members of the Ballard clan were brought into the lucrative business.

During the day Tom worked as engraver, ink mixer, printer or any other task required to get the "queer" produced. His skill was such that he quickly discovered the secret process by which Mr. Wilcox of the Glenn Paper Mills of West Chester, PA was making the famous U.S. Government fiber paper. Ballard started with fine white bond paper available to all engravers and altered it chemically to match the Government product exactly.

Each evening he would walk the two miles home to his pretty wife and no one knew of his double life. The newly es-

established Secret Service still had not gained the expertise required to catch this clever gang and it prospered for years. The work produced by Tom Ballard confounded Treasury experts but they could not figure out the source. Miner kept his eyes open for any signs of federal officers snooping around, Hinman laundered the money through his carriage business, Cole distributed the counterfeits to his gang of shovers and Ballard covered his tracks perfectly.

The inherent weakness of any counterfeiting gang is the large number of people involved. Presses, paper, inks and supplies must be purchased, engravers and printers engaged, a distributor with a network of shovers employed and security of the printing plants maintained. The New York police were quite adept at arresting shovers and there have been many horror stories told about questioning sessions at the old Ludlow Street jail. As a result, the police were able to place informants inside the gangs. Counterfeiting became a risky way to make a living, but there was never a shortage of people willing to take a chance.

Chief Whitley was different from his predecessor in that he liked to work closely with police officials. He spread a lot of reward money around and soon had a vast network of informants, both inside and outside the police department. It was from an informant that he learned of a violent argument between Miner and Cole, and Whitley moved quickly to exploit the situation. By playing one against the other he finally convinced the hard-as-nails Harry Cole to tell him what was going on. Miner indignantly denied everything until Whitley quietly pointed out that the Secret Service had seen him with Cole. When Whitley suggested that the Secret Service was primarily interested in getting possession of the plates, Miner finally admitted that he knew Cole and hinted that Cole might be hiding his plates over in Quakertown, PA. Upon this allegation Miner and Cole both clammed-up and Whitley had reached an impasse in his investigation.

Meanwhile Andrew L. Drummond, Whitley's agent-in-charge of the Eastern District of Pennsylvania, who would himself move up to become Secret Service chief in 1891, had caught one David Kirkbride with a wallet full of counterfeit money. Drummond and Whitley applied pressure and their prisoner squealed on one David Kean, a liquor dealer. Kean was terrified at the thought of prison so he hastily agreed to help trap the slippery Miner. The plan worked, but catching Miner and convicting him were two different things. Cole and Ballard were also arrested and for the first time the Secret Service learned of the two counterfeiting plants concealed in residences at 256 Rivington and 438 W. 54th Street. It took quite a few wagons to haul away what they found there.

The inventory of items seized on October 26, 1871 was as follows:

**Counterfeit plates.**

\$1000 U.S. Treasury note, unfinished.  
 \$20 Greenback, back and front plates, finished.  
 \$10 National Banks of Poughkeepsie, N.Y.  
 \$10 plate, back of note.  
 \$2 skeleton plate for national banks.  
 Lincoln head 50¢ fractional currency, full set of plates.  
 Second set of the same, very superior.  
 Stanton head 50¢ fractional currency, plate for seven note sheet.  
 Second set on steel for ten note impressions.  
 Third set of copper for five impressions.  
 Transfer rolls for above except the \$1000 unfinished plate.  
 Ten full sets original bed pieces for making transfer rolls.  
 Transfer press, cost \$10,700.

## SCIENTIFIC COUNTERFEITING;

OR,

FRAUD AS A FINE ART.

## BIOGRAPHY OF THOS. BALLARD,

ALIAS

THOMAS AVEY, Alias THOMAS WESTON,

Alias TOM DAVIS,

“THE PRINCE OF CONEY MEN.”

AN ORIGINAL SKETCH.



THOMAS BALLARD.

Transfer press, cost \$1200.  
 Two large presses for printing bills.  
 Two smaller presses for printing bills.  
 Large quantity of type for changeable bank title lines.  
 Two full sets of engravers' tools.  
 Ink, rolls and press blankets.  
 Full set of Treasury seals for stamping red seals on notes.  
 \$45,000 in counterfeit money in denominations of \$2, \$5, \$10, \$20 and \$100.  
 150 pounds of counterfeit fiber paper and complete appliances for making same.

When it was over, Ballard said that the capture had made Whitley the “happiest man on earth.” Unfortunately the chief did not know what Ballard, Cole and Miner knew. The gang had made electrotypes of the plates and hidden them elsewhere in anticipation of just this situation. Later, those electrotypes were used to create another huge quantity of counterfeit notes.

Tom Ballard wanted no part of a dreary jail cell. He quickly set his superb mind to devising a means of escape. On the night

of November 15, 1871 he and two cellmates broke out of jail. There was some suspicion at the time that Miner had made the escape possible by passing out some money to a few jail guards. Miner's lawyers knew that Tom Ballard was the best witness the government had and if Ballard were not there to testify, the case against Miner would be weak. In any event, Tom Ballard got away and eluded capture for almost three years in spite of a \$5,000 reward offered by the Secret Service for information leading to his arrest. Tom Ballard proved to be hard to catch.

The wheels of justice continued to roll and eventually Miner was brought to trial. It was a bit of a circus. Cole testified against him but the defense pointed out that old Harry was not exactly a paragon of virtue himself and tended to tell a lot of lies. The government then put John Ballard on the stand and the same thing happened. The jury obviously didn't believe either one. The government attorneys looked around for more credible witnesses and came up wanting. As the press said at the time, "important witnesses for the prosecution disappeared, or became incapable of memory, while some of those for the defense were convenient as possible and exceedingly glib." A lot of money was flowing out of the Miner coffers so it was no surprise when the jury brought in a verdict of not guilty. Miner walked out a free man.

Meanwhile Tom Ballard was leading authorities on a merry chase. He went to Florida for awhile, then returned to New York. He perfected the art of disguise and went back to work as a carriage painter on Long Island, in Reading and Middletown, PA, in Rome and Rochester, NY and finally in Buffalo.

In September of 1873 the Treasury Department detected some beautiful counterfeits of the \$500 U.S. Treasury Note. Experts recognized the engraving style of Tom Ballard and the paper as the imitation fiber type which he created. It was all a little embarrassing for the government because their experts declared the counterfeits not just equal to the genuine notes but actually superior. The Secret Service traced the bills to Buffalo, but they had no luck at finding Ballard.

Finally, in the summer of 1874, they got a break. A man named Jeremiah Reed walked into a Buffalo police station looking for a Secret Service agent. He told the officers that he wanted to report a counterfeiting ring operating in Buffalo. As many police officers did in those days, they first checked to see if there was a reward being offered for a counterfeiter believed to be in Buffalo. They were told that Tom Ballard was wanted and a \$5,000 reward was still being offered. Then they told the Secret Service about Mr. Reed.

In September of 1874 Secret Service officer Gilbert B. Perkins arrived from Washington to take over the case. On September 30 Perkins and an operative named Reynolds arrested two men in Trenton, Michigan who had on their persons \$500 in counterfeit \$10 bills of the Farmers' and Mechanics' National Bank of Buffalo, NY. The men were taken to Detroit where they were identified as Benjamin Ballard, alias Charles Marshall, and Oscar Finch, alias Lucas McGhee. Five days later William Ballard was caught at Lockport, NY and George Ballard was arrested in Buffalo.

William proved to be a bit stubborn, but George sang like a bird. If they would go easy on him, he said, he would lead them to Tom Ballard. That night he was taken out by Perkins and his men to a Buffalo suburb where George pointed out a certain frame cottage where Tom was said to reside.

The next morning the federal officers showed up and began pounding on the door of the cottage. No one opened the door but there was a lot of moving around inside. Then one of the officers standing out in the front yard saw a man emerge from an attic window and climb onto the roof. It was Tom Ballard trying to escape. He changed his mind when a bullet from the

officer's pistol whizzed by his head and he meekly climbed down and surrendered.

Inside the cottage the officers found two women. One was Aunt Ann Adams, still keeping house for counterfeiters. The ladies were taken away for questioning while other officers searched the premises.

The house proved to be a smaller version of the big counterfeiting facility in New York City. And here were the long-sought electrotypes that the gang had hidden away earlier. Included were plates to make counterfeits of the \$2 bill of the West Chester County National Bank of Peekskill, NY, the First National Bank of Palmyra, NY, and the First National Bank of New York City. There were also the usual engravers' tools and equipment, chemical vats for the making of electrotypes, plus inks, dyes, paper and other items used in counterfeiting.

In the living room was Tom Ballard's library. Shelves contained a huge file of *Scientific American* and books on chemistry, metallurgy and electricity. Tom Ballard was indeed the genius that people said he was. But now he was back in jail where he was absolutely miserable. He escaped just three days later. This time it was quite simple—he somehow made his own key to the jail door and walked out. He made his way to the railroad station and caught a train to Cortland, forty miles away. Since he was broke he sent a telegram to his old friend Joshua Miner in New York City. The Secret Service intercepted the telegram, sent the money, and when Ballard went to the telegraph office to collect, agents were waiting and placed him under arrest. Again he was placed in a miserable jail cell.

Tom Ballard was simply too intelligent for his jailers to handle. On January 16, 1875 he and four others escaped by the simple device of a few sheets tied together like a rope ladder. But this time Ballard was free for only two days before he was picked up and jailed again. And once again he made a key to his jail cell and started to walk out. A guard caught him this time and the Ballard luck had finally run out.

Authorities were pretty well disgusted with Ballard by now. Four days later, on January 20, 1875, Ballard's trial began. The next day the jury found him guilty as charged and the judge sentenced him to 30 years in the penitentiary at Albany. Tom was 35 years old at the time and he realized that if he had to serve the full term it amounted to a life sentence.

Trials of the other Ballards came quickly. Benjamin went to prison in Michigan, his wife Julia got five years in New York state, William was assigned a cell near his brother Thomas at Albany and George was paroled. Only John managed to stay clear of the courts.

But Jeremiah Reed, the man who had blown the whistle on the Ballards in the Buffalo police station, did not come away unscathed either. It seems that he had actually been involved in the counterfeiting activity himself by allowing the gang members to use his home at Fort Erie as a meeting place to distribute the counterfeit currency. More than that went on, it turned out. As a writer of the time put it in rather delicate terms—"Reed discovered that an illicit intimacy had existed between William Ballard and his pretty daughter." That was bad enough, but Reed also found out that William had given his daughter a \$10 bill that Reed recognized as counterfeit. He said later that both he and his daughter might have been arrested for passing the counterfeit. It was all too much and in his rage Reed swore revenge against "the whole Ballard tribe" and turned them in. He had taken the precaution, however, of cutting a deal with the government whereby he and his daughter were granted immunity from prosecution and he got his share of the \$5,000 reward.

(Continued on page 153)

# A PIONEER WESTERN BANK AND ITS NOTE ISSUES THE LAWRENCE BANK OF KANSAS TERRITORY AND STATE

Feb. 11, 1858–Jan. 5, 1864

by STEVEN WHITFIELD



*The mural by Al Howell of Quantrill's raid on Lawrence, August 21, 1863.*

## INTRODUCTION

**W**HEN I first discovered the issues of the Lawrence Bank at Lawrence, Kansas in the 1970 *PAPER MONEY* listing of Kansas obsolete notes, I was intrigued because Lawrence was my home at the time. I soon uncovered what information was available about the bank and found that there were several important questions among Kansas note collectors and researchers about the bank's paper money issues. Evidence existed that the Lawrence Bank had made at least one issue of notes during the territorial period but no one knew what they might have looked like. It was assumed that the territorial issue had a different design than the surviving American Bank Note Co. unissued remainders and dated issues of the early statehood period. Another significant question concerned the actual dates that might have appeared on any territorial issues of the bank.

Eventually I heard that a prominent Kansas collector had once seen the redemption records of this bank at the Kansas State Historical Society and had photocopied the pages. When contacted, the old gentleman thought he had them somewhere but was unable to locate them. An extensive search at the archives of the Society library was also unsuccessful and it appeared that the questions might never be answered.

Then, several years ago, the missing photocopies turned up and were offered to me for \$40. I rushed off a check only to have it returned uncashed because the price had gone up to \$50. Off went another check and, in due course, the long elusive documents finally arrived. As hoped for, they provided answers to some of the questions; however, they were filled with inexplicable errors; they raised a number of new questions and, most unfortunately, part of the documents appeared to be missing. Many enjoyable hours were spent in detailed study of

the ledger pages, checking and cross-checking serial numbers issued, recording the uncanceled notes and comparing all of the new data with other available information. Then I wrote down all of the possible explanations that occurred to me for the various inconsistencies.

Eventually I was able to determine, at least to my own satisfaction, the most logical assumptions that could be made with the information available. There was proof that the territorial issues had been printed from the same plates as the known statehood issues. In addition, the names of the signing officials were revealed. Most of the serial number datum for each issue was documented and finally, the circulation figure maintained by the bank, after Kansas became a state, was firmly established for the record.

The Lawrence Bank had an exciting, although brief, span of existence during the "Bleeding Kansas" period of the late 1850s and early 1860s. Many prominent early Kansas settlers and politicians were associated with the bank. This bank, along with the other business establishments and homes in Lawrence, was looted and burned during the infamous Quantrill raid of August 21, 1863, when 450 Missouri outlaws and Confederate recruits destroyed the town. Frank James, the notorious post-Civil War bank robber, as well as other famous outlaws who would make up the James gang, took part in this brutal massacre. There is also a very real possibility that the surviving, genuinely signed and issued notes of this bank may have been carried off by the raiders when the town was sacked. Thus the Lawrence Bank and its note issues have an interesting story to tell that has some historical significance.

The following is an attempt to relate the story of the bank while, at the same time, to report the results of available research and analysis of the note data. Except for the bank's destruction during the war, this is probably a representative story of many pioneer western banks established in the mid-nineteenth century.

### BACKGROUND

Kansas became a territory when the Kansas, Nebraska Bill was passed into law on May 30, 1854. Because provisions of the law allowed settlers in the new territories to determine whether they would become free states or slave states, factions from both sides of the slavery issue hurried to establish settlements in the new territory. The town of Lawrence, K.T., located on the south bank of the Kansas River about forty miles west of the Missouri border, soon became the principal headquarters for the abolitionists and, for that reason, attained some significance as the commercial center of a fairly large agricultural region. Transportation was a particular problem in the new settlement. A few shallow-draft steamboats were able to pass up the Kansas River in the early years but the route was undependable during the frequent dry periods. Lawrence, like most pioneer settlements, was initially a consumer market only. Nearly everything needed by the settlers, from crop seed to window glass, had to be carried overland from Kansas City at great expense. Very little was produced that might have been exported and, even if export goods or produce were available, the lack of an economical transportation route would have made such ventures unprofitable.

Thus, in the early years, there was a great need for outside capital in order to survive. This money initially came from the East in the form of donations or loans from family and friends, and from organized aid societies. Such a state of affairs limited early banking needs in Kansas to the collection of drafts and the purchase of exchange on eastern cities. At first this function

was performed by local merchants as a service to their customers. In later years, some of these merchants entered the full-time banking business at Lawrence.

### TERRITORIAL LEGISLATION

Although banking and the issue of paper money were frequently discussed during the sessions of the Territorial Legislature, very few laws relating to the subject were ever enacted. In fact, only three significant legislative acts attempting to regulate banking and the issue of currency were actually passed into law prior to statehood, and even these were not enforced.

The first Kansas banking act was dated January 29, 1857 and required all companies or associations formed for banking purposes to be chartered by the legislature or be considered "unlawful." This same act prohibited the "issue of any bills, notes, checks, drafts or obligations, payable to bearer or order and intended for use as currency, unless they were issues of legally chartered banks."<sup>1</sup>

The next piece of important banking legislation was the charter for the Kansas Valley Bank at Leavenworth as a bank of issue, along with provisions for five branches to be located in other towns. The charter was granted until March 1, 1875 and was obviously modelled after the experiences of earlier states and territories.<sup>2</sup>

The last significant law regarding territorial banking was a direct result of the transfer of political power in Kansas. The Free State faction of the population participated fully in the fall election of 1857, after having boycotted previous elections,<sup>3</sup> and were able to gain control of the territorial government. During their first legislative session, the new party in power passed a bill to repeal the charter of the Kansas Valley Bank of Leavenworth, considered to be a pro-slavery bank, along with its branches,<sup>4</sup> and chartered their own bank to be located at Lawrence. This bank would be called the Lawrence Bank.

James Denver, Territorial Governor at the time, vetoed the act because he believed that neither he nor the legislature had the power to charter banks or to authorize the issue of paper money.<sup>5</sup> He also objected to bankers' use of what he termed "paper specie" when the average citizen did not have the same advantage. Other provisions of the act, such as the absence of a specified limit on capital stock, and therefore on the amount of outstanding circulation, were also of concern to the Governor. In any event, the Legislature passed the act over his veto and the charter of the Lawrence Bank became law on February 11, 1858.

**BUSINESS DIRECTORY.**  
**MISCELLANEOUS CARDS.**  
**LAWRENCE BANK,**  
**LAWRENCE, KANSAS.**  
**EASTERN EXCHANGE, Land Warrants, bought**  
**and sold at current rates; collections attended**  
**to, and remittances made with promptness.**  
**ROBERT MORROW, Pres. E. A. SMITH, Cashier.**  
**R. N. SHAWWOOD, Vice Pres. 154-**  
**EDWARD D. THOMPSON,**  
**BANKER,**  
**Dealer in Exchange and Land Warrants.**  
**Collections promptly made. Eastern drafts in**  
**sums to suit.**

This 1861 newspaper ad lists the Lawrence Bank officers.

### THE BANK DURING THE TERRITORIAL PERIOD

In addition to the usual provisions concerning stockholder liability, composition of the board of directors, etc., Section 12 of the charter provided for the issuance of paper money by the bank as follows:

Whenever the directors of (the) bank shall deposit with the (Kansas) Comptroller an amount of the state bonds of any interest paying State of the Union, or of the United States, equal in value to \$25,000 at the current rates of the New York Stock Exchange, and shall satisfy said officer that they have on hand \$2,500 in specie, for the purpose of redeeming the circulating notes of the bank, then the Comptroller shall countersign \$25,000 of said circulating notes, and return them to the president for use; and it shall then be lawful for said bank to use said notes as currency, and commence and conduct the business of banking in all its departments and details; and whenever said bank shall hereafter deposit additional securities as above stated, and provide ten per cent of their amount in specie, for purposes of redemption, then the Comptroller shall countersign and return to said bank their circulating notes to an amount equal to the value of said additional securities.

The Comptroller could demand an increase in securities if their market value depreciated, otherwise the issue of notes was unlimited.

Obviously the charter was based on experience gained in other states and territories, as can be seen from the provisions to protect circulation holders. And, as will be seen later, the banking provisions in the state constitution of 1861 would make only slight changes from the provisions of the original charter. The charter was good for one year, at which time it would require renewal by the Legislature.

All available evidence indicates that the bank was not actually organized until the spring of 1859, after the charter should have expired. Notwithstanding this minor technicality, plates and bank notes were ordered from American Bank Note Company<sup>6</sup> in denominations of \$1, \$2, \$3 and \$5. The note design included a space for the countersignature of the "Comptroller," even though there was no such officer in the territorial government, or for that matter, later on in the state government. This must have been included because the original charter called for the "Comptroller" to register and countersign

the notes. This turned out to be an important fact in the determination of what the territorial issues looked like.

On October 14, 1859 the Territorial Treasurer, Robert B. Mitchell, countersigned 1003 sheets of notes for the Lawrence Bank, totalling \$11,033. The redemption records indicate that several sheets were given duplicate numbers, probably in error. Apparently the bank did not commence business at that time or, if it did, it was for a very short period.

On April 14, 1860, Treasurer Mitchell countersigned an additional 289 sheets, for another \$3,179 in face value of circulating notes. The serial numbers were 1004 to 1292. The reason for signing additional notes at that time is not clear. There is no evidence that any notes had been placed in circulation prior to this date and, as will be seen later, it appears that the bank had not even opened for business. It is possible that the officers were nearly ready to open and simply wanted to have the maximum amount of notes ready to place in circulation. Although no record of securities deposited for this territorial issue has been located, there was such a requirement in the bank charter. If Treasurer Mitchell was enforcing that provision, the date may merely indicate when the proprietors came up with additional securities. It appears most likely that the bank was nearly ready to open for business and that the owners wanted the maximum amount of bills, nearly \$15,000 worth, ready to put into circulation.

During the spring of 1860, the bank finally opened and made an initial effort to place its circulation. The office was located on the east side of Massachusetts Street, across from the Eldridge Hotel. Robert Morrow was president, Robert N. Sherwood was vice-president and Ethan A. Smith was cashier.

Robert Morrow was born in New Jersey on September 20, 1825. He emigrated to Kansas in August 1855 where he built and operated the Morrow House Hotel at Lawrence during 1856 and 1857. He was a member of the 1858 Territorial Legislature and active in local and state politics for many years. He lived in Lawrence for more than twenty-seven years.

Ethan Allen Smith was born in Vermont in 1833. He ran a dry-goods trade at Whitewater, Wisconsin from 1853 until 1855, when he moved to Kansas. From 1861 to 1865 he held a position in the financial department of the Indian Bureau at Washington, D.C., after which he returned to Lawrence. Back at



Robert Morrow, president of the Lawrence Bank.



Ethan Allen Smith, the first cashier of the Lawrence Bank.

Lawrence he helped to organize the National Bank of Lawrence, Charter 1590, and served as its first cashier. From 1866 to 1874 he managed the Eldridge Hotel.

On June 14, 1860, an editorial appeared in the *Daily Times* newspaper of Leavenworth titled, "Wildcat—Look Out!". This piece of documentary evidence is important for determining when this bank actually opened for business. The editorial warned, "If there be any evil which a young territory should guard against, it is a spurious currency . . . For some days past, bills of the 'Lawrence Bank' have been in circulation among us.—The [bills] are not taken in the city by our solid men, nor are they issued, as we believe, upon any sound basis. Good men have charge of the bank, but 'money greed' will blind the best, and hence we caution the people against receiving or circulating these bills. Let us have no wildcat banks in Kansas."

On June 23, 1860 the *Emporia News* published an editorial about the bank under the title "WILD CATS." The writer reminded readers that it had been only a few weeks since they were cautioned about the circulation of the Lawrence Bank, which was based on worthless territorial claim bonds. Two months had passed since the first notes were issued by the bank. At first a few dollars had been placed in the hands of friends, but now the bank was trying to force merchants to accept the bills in order to control the Lawrence money market. The bank was alleged to have swapped its currency for a large amount of Wisconsin notes in order that each could pass the other's worthless paper. The paper promised to publish who was really behind this scheme, someday, and closed with a warning that the Lawrence Bank was "pushing Wisconsin Currency."

In rebuttal, the *Lawrence Republican* carried a letter to the editor from the bank's cashier, Ethan A. Smith, on August 1, 1861. He wrote in defense of the individuals involved in the bank. He also said that the bank only had about \$300 of its circulation out, but did concede that two-thirds of the securities were territorial claim bonds. These bonds were eventually repudiated by the state and never redeemed. Mr. Smith then went on to defend Wisconsin bank integrity, "since the new law was passed ten years ago."

Clearly the note-issuing privilege was controversial and worked to prevent the bank from passing any significant amount of its notes. Since banks of issue made their profits by placing large amounts of circulating bills in the hands of the public, and keeping them there, the Lawrence Bank must have depended on other sources of income during the territorial period. In any event, this bank's notes did not play much of a role in relieving the need for a dependable circulating medium. Land warrants, specie and the notes of the banks from eastern and midwestern states continued to perform that function in Kansas.

Wayne Angell, who did an extensive treatise on Kansas Banking in 1957,<sup>7</sup> wrote that the Lawrence Bank issued the first paper money by a bank in Lawrence "intended to be money rather than demands on money." He went on to note that "by July of 1860 only \$300 had been circulated."

Various other writers have recorded that the Lawrence Bank was "organized in the spring of 1859," which adds weight to the conclusion about when the bank organized but not necessarily about when it opened for business. It must be noted that none of the sources for these statements are available. Thus, the only hard evidence seen to date about the bank's initial operation includes the newspaper editorials, previously quoted, and copies of the bank ledger pages recording the dates that notes were countersigned for the bank. The information available does show when the first circulation appeared and indicates

that it was difficult to convince the local populace to accept the bills, at least initially.

The only published statement of the Lawrence Bank that has been located is dated January 11, 1861.<sup>8</sup> Printed just before Kansas became the thirty-fourth state, this statement shows no apparent evidence of notes being in circulation at the time, although it should be noted that the liabilities were \$3,008 less than the listed assets. It is also possible that the circulation was so small that it was included in the \$422 listed as "other liabilities." Furthermore, since the \$40,000 in stocks appears as an asset, they were obviously not being used for note security at that time. Otherwise, there would be a counterbalancing circulation figure along with loans or other assets. If circulating notes were being held at the bank, they would have been listed as cash assets, thereby replacing the stocks that secured them. Thus, it appears likely that most of the territorial-period-dated-issues that may have been placed in circulation, as well as the notes that could not be passed, had already been redeemed and destroyed at Topeka. Not all of them had been destroyed, however, since a small amount of them turned up in the final redemption of this bank, as will be seen later.

The ledger that has survived shows only eight notes of the Oct. 14, 1859 issue that were not cancelled, including two \$2s, two \$3s and 4 \$5s, for a total of \$30 face! The issue dated April 14, 1860 showed \$98 in face value remaining uncanceled, including thirty-six \$1s, eighteen \$2s, seven \$3s and one \$5 note. From all indications, very little of the territorial issues were circulated and most of that was redeemed before Kansas became a state on January 29, 1861. The change from territorial status to statehood caused several revisions to be made in the regulations for issuing paper money.

## STATEHOOD

The currency-issuing provisions of the new state constitution included collateral security for the redemption of circulating notes. The security was to be in the form of interest that paid state or United States bonds, deposited with the State Auditor at the cash rates of the New York Stock Exchange and equal to the circulation figure of the bank. Ten percent of the circulation had to be deposited in cash, and all notes had to be countersigned and registered by the "State Auditor." The redemption location was to be at a convenient location within the state and payment had to be made in "money of the United States." Holders of circulating notes were to have preference of payment over all other creditors, and the smallest denomination that could be issued was to be \$5. (This provision was amended to a minimum denomination of \$1 on November 4, 1861.)

The major change of interest to Kansas banknote collectors was the replacement of the Comptroller's countersignature, as required by the territorial charter, with the State Auditor's signature.<sup>9</sup> It is also significant, from a collector's standpoint, to note that redemption was now required in "money of the United States," i.e., in whatever the federal government decided was receivable as money.

The Lawrence Bank moved quickly to comply with the provisions of the new state constitution. On June 26, 1861 Kansas bonds were deposited with the new State Auditor, George S. Hillyer and, on July 1, 1861, he countersigned 800 sheets of notes for the bank. Since the sheets consisted of \$11 face, the July 1, 1861 issue consisted of \$8,800. The serial numbers were begun again with No. 1, so this issue date consisted of notes numbered from 1 to 800. These notes were then placed in circulation by the bank.



Governor Charles Robinson, a large stockholder in the Lawrence Bank, was ruined politically by the bond scandal.

### THE BOND SCANDAL

Most of the Kansas bonds that were deposited to secure the circulation had been purchased from the state by Robert S. Stevens under highly questionable circumstances. Stevens was a state senator and principal owner of the bank at the time.

In order to raise general operating funds and money to support the Civil War effort, the Kansas Legislature had authorized, and Governor Charles Robinson had signed into law, two bond issues on May 3, 1861. The two issues consisted of \$150,000 at 7 percent per year and \$20,000 at 10 percent per year in \$500 denominations, to be paid fifteen years after the issued dates. State taxes were to be used to fund the interest and redeem the bonds.

Austin M. Clark and James C. Stone, from the Leavenworth banking firm of Clark, Gruber & Co., were authorized to negotiate the sale of the bonds within a seventy day period. These gentlemen soon reported back to the Legislature that, because the new state had no established credit, the bonds could not be sold for more than 70¢ on the dollar. Clark and Stone then dropped out of the bond picture.

Shortly thereafter, Robert Stevens was able to purchase the bonds from the state for only 40¢ on the dollar, after he had been appointed by the state officers to negotiate the sale at any price. United States Senator Samuel C. Pomeroy of Kansas, who was also a principal officer of the Kansas Valley Bank at Atchison, had recommended that Stevens get the appointment. Most of the bonds were then sold to the U.S. Department of the Interior for 85¢ on the dollar, thereby realizing a sizable profit for Mr. Stevens and possibly others. The money used to purchase the bonds came from funds held in trust for various Indian tribes by the Bureau of Indian Affairs. Both of the senators from Kansas, Samuel Pomeroy and James C. Lane, had recommended approval of the bond purchase to President Lincoln. Evidence would later show that the sale price to the Interior Department had actually been arranged before Stevens got authority to purchase the bonds from the state. The political climate in Kansas at the time was such that Senator Lane and Governor Robinson were bitter enemies.<sup>10</sup>

During the time that the bond sales were being negotiated, an editorial appeared in the *Kansas State Record* at Topeka, dated August 17, 1861, concerning an alleged plot to crush the Lawrence Bank. This article was in rebuttal to an accusation

made in the *Lawrence Journal*, date unknown, that the Topeka politicians had an agreement with the Leavenworth bankers to refuse the bills of the Lawrence Bank in exchange for Leavenworth's support of Topeka as the state capital. The accusation had been made after a visit to Topeka by some Leavenworth bankers, including James C. Stone. Incidentally, James Stone was considered to be one of Senator Lane's loyal supporters. The visit could have been associated with Stone's effort to sell the bonds but it is also possible that the alleged plot could have been based on other information that has not surfaced.

The bond scandal finally broke in early 1862 and the ensuing investigation led to impeachment trials against Governor Charles Robinson, a Mr. James Robinson, no relation to the governor, and State Auditor George S. Hillyer. One reason for suspecting Governor Robinson's involvement was the fact that he and Robert Stevens were stockholders and directors of the Lawrence Bank, and the note issues of the bank were then secured by Kansas bonds. The face value of the bonds belonging to the bank at the time was estimated at \$20,000. Upon investigation by a select committee of the Legislature, it was reported on February 24, 1862 that the bonds on deposit with the state auditor actually included \$3,000 of the 10 percent war bonds, \$16,000 of the 7 percent state bonds and \$16,000 in older territorial claim bonds.<sup>11</sup>

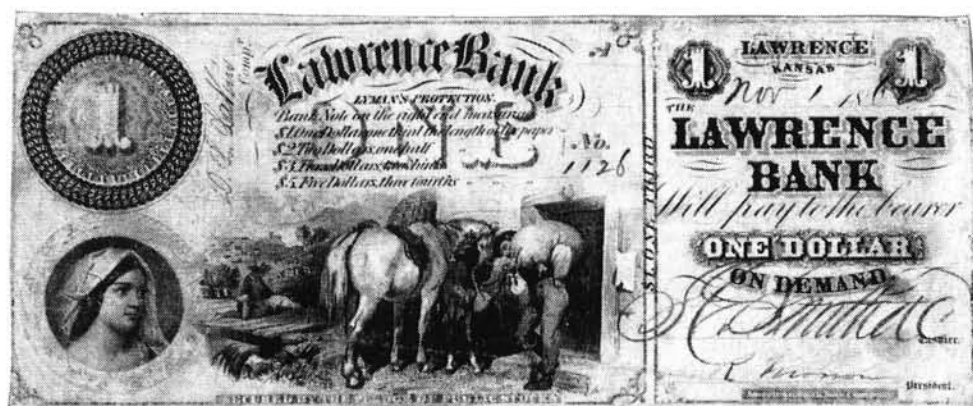
The sale agreement with the Interior Department had been signed for the state by the three men named in the impeachment proceedings. It was later discovered that Governor Robinson's signature had been forged to the agreement by one of the other parties. No action whatever was taken against Robert Stevens, the principal beneficiary of the whole affair and, incredibly, he was even allowed to participate in the impeachment proceedings, although he was excused from voting.

The trial began on June 5 and lasted until June 29, 1862. John Robinson and George Hillyer were quickly found guilty and dismissed from public office. Their actual date of removal was July 28, 1862. And then, with the deck stacked against him by his political enemies from the Senator Lane camp, to everyone's surprise Governor Robinson was speedily acquitted. Nevertheless, the scandal ruined Robinson politically and he was not renominated by his party in the following election.

It appears possible that the closing of the Lawrence Bank was related to the Governor's acquittal. The bank had been used as a depository for state funds, which was a long-standing issue with the Leavenworth bankers. The few surviving newspaper reports indicate that there was powerful opposition to the bank, and therefore the speedy acquittal of Governor Robinson, when his political enemies had him at their mercy, generates the suspicion that part of the trade-off may have been an agreement to close the bank. The fact that no action was taken against any other parties in the affair adds to the suspicion of some sort of political horse trading. In any event, Stevens decided to close the bank about this time or soon thereafter.

One early writer has indicated that Stevens became interested in building houses for the Government on Indian lands and decided to wind up the bank's affairs.<sup>12</sup> It is also true that the unsettled times caused by the Civil War were unprofitable for most of the small banks in the West. This fact alone could have been sufficient reason to halt operations.

On June 3rd, 1861 the Kansas State Legislature passed an act authorizing any Kansas banks depositing Kansas or United States bonds with the auditor to suspend specie redemption of their bills until July 1, 1862. This law would have applied only to the Bank of the State of Kansas at Atchison and the Lawrence Bank, since they were the only Kansas banks with authority to



This issued note, No. 1126 dated Nov. 1, 1862, was signed by S.C. Smith and Robert Morrow. The Mill Door was engraved by James D. Smillie.

issue. At the time several other unchartered banks took the opportunity to issue small denomination circulating notes. The Exchange Bank at Atchison and the Clark, Gruber bank at Leavenworth engaged in this practice. The lack of specie in Kansas had reached serious proportions by the early summer of 1861. On December 28, 1861 the U.S. Government suspended specie payments and extended the provision to all specie-paying banks.

From later redemption records it appears that the Lawrence Bank probably circulated very few bills of the \$5 denomination, before or after specie suspension, with the people preferring the available issues of the federal government. However, since there were no government paper issues in denominations smaller than \$5, the local \$1s, \$2s and \$3s were essential and heavily utilized. Accounts of contemporary merchants interviewed in later years indicate that the Lawrence Bank notes were freely circulated and widely accepted in eastern Kansas.

In August of 1862 David L. Lakin was appointed state auditor to replace the ousted George Hillyer. At that time, late in the summer of 1862, there was still a critical shortage of small denomination currency in circulation. Hard money had been hoarded for its intrinsic value since the war began, and private bankers, merchants and municipalities were printing and circulating their own small denomination notes. This small denomination shortage, which was not corrected by the federal government until the spring of 1863, was undoubtedly the reason behind the last issue of the Lawrence Bank in the fall of 1862.

The Redemption records show that \$3,273 of the July 1, 1861 issue was turned-in to the auditor for destruction during November 1862. These were nearly all \$5 bills, numbered in sequence, which lends credence to the assumed lack of circulation for this denomination. These notes were destroyed by burning on November 25, 1862. On November 1, 1862, the final note issue for this bank had been countersigned by Auditor David Lakin. For some unknown reason, the surviving ledger does not record this issue, although we are certain that it was made because surviving notes of this issue date can be documented back to August 1863. It is possible that the entry for this issue, if an entry was ever made, may have been lost, or entered in another ledger. This is unfortunate because it makes it impossible to determine the exact serial numbers used. However, it is possible to make certain assumptions based on the available evidence. It is unlikely that this last issue included any \$5s, since they apparently could not be circulated by the

bank. It is also unlikely that \$3s were included. The reasons for this latter assumption are based on the need at the time for small denomination notes, the fact that no signed \$3s of the 1862 issue have surfaced, and because the only partial, unused sheets known on the bank are half sheets with the \$3 and \$5 denominations.

Several genuinely signed \$1s and \$2s of this issue date have survived and, by using their serial numbers, we can surmise that this last issue was probably numbered from 801 to 1891 if only \$1s and \$2s were issued, or from 801 to 1345 if \$3s were included in the issue. The final serial numbers were arrived at based on maintaining the total circulation figure at \$8,800. The \$8,800 figure is necessary as will be seen later in the discussion of the final redemption for the Lawrence Bank.

The first bank cashier, Ethan A. Smith,<sup>13</sup> had moved to Washington, D.C. in 1861, when he took a job with the Indian Bureau. He was replaced at the bank by Samuel C. Smith, no relation, as A. (Acting or Assistant) Cashier. Therefore, Samuel's signature is found on the November 1862 issue. Ethan Smith returned to Lawrence after the war, got back into banking again for a while, and then took over management of the Eldridge Hotel. He moved to Emporia in 1881.

### LIQUIDATION

As stated previously, Robert Stevens took action to close-up the bank early in 1863. Between March 1 and May 22, 1863, \$6,682 of the circulation was redeemed and returned to the state auditor for destruction. On May 22, 1863, in order to withdraw the bonds held by the auditor, Stevens deposited \$2,118 in United States Treasury notes at Topeka for the redemption of the remaining outstanding circulation. It is apparent that the circulation figure was consistently maintained at \$8,800 after statehood, including the issue of November 1, 1862. (\$6,682 turned-in, added to the \$2,118 deposited in treasury notes, equals \$8,800, which was the amount originally issued in July, 1861.)

Robert Morrow continued to operate the office at Lawrence by redeeming the outstanding circulation and periodically turning the notes over to the state auditor for destruction. He would receive treasury notes from the auditor equal to whatever amount of Lawrence Bank notes he turned-in. The first such redemption at Topeka, following the bond withdrawal, occurred on June 2, 1863. All subsequent redemptions were recorded in the ledger.



This issued \$3 note, dated July 1, 1861, is signed by E.A. Smith and Robert Morrow.



This note survived the Quantrill Raid; it was in the safe of Mr. Grovenor. (Courtesy of the Kansas State Historical Society)

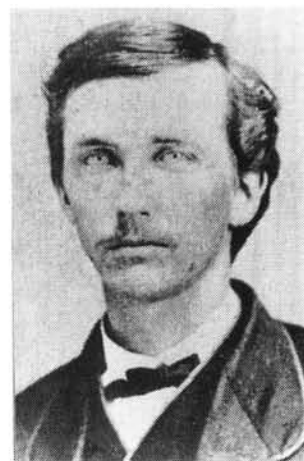
### THE RAID

On August 21, 1863 approximately 450 border guerrillas and Confederate recruits, under the leadership of William Clarke Quantrill, ransacked and burned the town of Lawrence in one of the most infamous terrorist raids of the Civil War.<sup>14</sup> More than 150 men and boys were murdered and the city was put to the torch over a period of about four hours. Allegedly, the cashier of the Lawrence Bank hid beneath a wooden sidewalk temporarily during the raid.

Robert Morrow, bank president, and James Blood, one of the original bank stockholders, lived near Mount Oread, where the University of Kansas is located today. They both ran up the hill before the guerrillas placed guards there and were able to escape. Mrs. Morrow remained at home and succeeded in saving both of their homes by repeatedly extinguishing fires set by the raiders.<sup>15</sup>

The Lawrence Bank was destroyed in the fires but not before the safe had been looted. In addition to several thousand dollars in coin that belonged to Mr. Morrow, there was a packet of Lawrence Bank notes in the safe awaiting the next trip to Topeka for redemption and destruction. These notes were carried off by the guerrillas, which makes it a possibility that some of the genuinely-signed notes surviving in collections today could have been stolen during the raid.

Three of the notes in the collection of the Kansas State Historical Society have documented histories that begin with the day of the raid. A faded \$1 and \$2 bill, along with the leather purse that contained them, were donated to the society by the descendants of John Speer. The purse and the notes had



William Clarke Quantrill.

been in the possession of young John Speer who was murdered during the raid. One of the guerrillas, Larkin Skaggs, had taken the purse from Speer's body. Skaggs was the only raider casualty at Lawrence that day, apparently because he got so drunk he was left behind when his companions departed.<sup>16</sup> After some of the survivors killed Skaggs they recovered the purse and notes and gave them to the boy's father. The notes remained in the Speer family for many years as a reminder of that terrible day. In 1933 the family donated the notes to the State Historical Society, where they repose today. Both of these notes are dated Nov. 1, 1862.

**STATEMENT OF CONDITION****LAWRENCE BANK**

January 11, 1861

CAPITAL STOCK (paid in)		\$41,300
NOTES IN CIRCULATION	.....	—
DUE TO BANKS	.....	—
DEPOSITS	.....	6,167
OTHER LIABILITIES	.....	422
<b>TOTAL LIABILITIES</b>		<b>\$47,889</b>
REAL ESTATE	.....	—
LOANS & DISCOUNTS	.....	1,742
STOCKS	.....	40,000
PROTEST ACCOUNT	.....	—
PROFIT AND LOSS ACCOUNT	.....	—
DUE FROM BANKS	.....	2,241
NOTES OF OTHER BANKS	.....	4,414
SPECIE	.....	2,500
<b>TOTAL ASSETS</b>		<b>\$50,897</b>

**SYNOPSIS OF NOTE ISSUES****LAWRENCE BANK**

1859-1862

<u>DATE</u>	<u>SERIAL NO.</u>	<u>COUNTERSIGNATURE</u>	<u>PRESIDENT</u>	<u>CASHIER</u>
Oct. 14, 1859	1-1003	Rob't B. Mitchell	Rob't Morrow	Ethan A. Smith
Apr. 14, 1860	1004-1292	" "	" "	" "
July 1, 1861	1-800	George S. Hillyer	" "	" "
Nov. 1, 1862	801-1345	David L. Lakin	" "	Sam'l C. Smith

**SHEETS**

Oct. 14, 1859	1003 sheets	@	\$11,033	face value
Apr. 14, 1860	289 sheets	@	\$ 3,179	face value
Territorial Period TOTAL			\$14,212	(plus)
July 1, 1861	800 sheets	@	\$ 8,800	face value
Nov. 1, 1862	unknown		\$ 3,273	face, replaced equal amount of July 1, 1861 issue destroyed.
Statehood Period TOTAL			Circulation Maintained at \$8,800.	

Note: No genuinely-issued notes are known from the territorial period.

Another documented raid survivor is a \$2 bill, serial number 1021, that was donated to the Historical Society around the turn of the century by Mr. G. Grovenor.<sup>17</sup> The bill had been in the safe at Grovenor's grocery store during the raid and had been preserved as a keepsake. This note is also dated November 1, 1862.

After the town was destroyed, and while the wreckage was being cleared, Robert Morrow continued to redeem the bank's

outstanding circulation. On August 24, just three days after the raid, he took \$247 to the capitol for redemption and continued to return small amounts until January 5, 1864, when the final \$176 in treasury notes were withdrawn at Topeka in exchange for Lawrence Bank notes. It is interesting to note that \$289 of the territorial issue dates were mixed up in the final redemption of the statehood issue. They were so worn that the dates were not identifiable when the notes were turned-in and they

**LAWRENCE BANK  
KNOWN SURVIVING NOTES**

<b>DENOMINATION</b>	<b>SERIAL NO.</b>	<b>DATE</b>	<b>LOCATION</b>	<b>REMARKS</b>
\$1.00	1009	Nov. 1, 1862	Private Coll'n, Ks	Ex Lindsay
"	1126	Nov. 1, 1862	Private Coll'n, Ks	Writer
"	864	Nov. 1, 1862	Ks Hist. Society	Speer note
"	Unissued Remainder		Estate	Burgett
"	"	"	Museum, St. Louis	Newman
"	"	"	Ks Hist. Society	
"	"	"	Private Coll'n, Ks	Kansas
\$2.00	426	Jul. 1, 1861	Private Coll'n, Ks	Ex Lindsay
"	???	Jul. 1, 1861	" " Ks	Illegible S.N.
"	819	Nov. 1, 1862	Museum, St. Louis	Newman
"	1021	Nov. 1, 1862	Ks Hist. Society	Grovenor note
"	1100?	Nov. 1, 1862	Ks Hist. Society	Speer note
"	Unissued Remainder		Ks Hist. Society	
"	"	"	" " "	
"	"	"	" " "	
"	"	"	Private Coll'n, Ks	Kansas
"	"	"	Museum, St. Louis	Newman
"	"	"	Private Coll'n, Ks	Writer, Lot 800 Memphis 1980
\$3.00	354?	Jul. 1, 1861	Ks Hist. Society	From Texas, 1924
"	???	Jul. 1, 1861	Private Coll'n, Ks	Writer, Memphis 82
"	Unissued Remainder		Ks Hist. Society	
"	"	"	" " "	
"	"	"	" " "	
"	"	"	Museum, St. Louis	Newman
"	"	"	Private Coll'n, Ks	Ex Lindsay
"	"	"	" " Ks	
"	"	"	" " Ks	Kansas
"	"	"	Estate	Burgett, false sigs and 1857 date added
"	"	"	Hist. Society, Ks	Half sheet—\$3/5
"	"	"	Private owner, Ks	Half sheet—\$3/5
\$5.00	Unissued Remainder		Ks Hist. Society	
"	"	"	Estate	Burgett, false sigs and 1857 date added
"	"	"	Museum, St. Louis	Newman
"	"	"	Private Coll'n, Ks	Ex Lindsay
"	"	"	" " Ks	
"	"	"	" " Ks	
"	"	"	Hist. Society, Ks	Half sheet—\$3/5
"	"	"	Private owner, Ks	Half sheet—\$3/5

were not discovered until the notes were being destroyed. This means that \$289 of the July 1, 1861 and November 1, 1862 dated issues were never turned-in at Topeka for destruction. Obviously most of these notes were lost or destroyed when the town was burned, but several of them have survived and exist in collections today.

### CONCLUSIONS

The dates that appeared on the territorial issues of this bank, along with the names of the officials who countersigned them, are now known. It has also been determined that the territorial issues were identical in design to the later statehood issues for the following reasons: first, the "Comptroller" countersignature space that appears in the design of the notes was only required by the original charter during the territorial period; second, if the territorial period notes had had a different design, they would

have been obvious to the state auditor when \$289 worth of them were turned in as part of the statehood issue for redemption; and, finally, the serial numbers issued and the circulation maintained after statehood have been determined for the record.

This writer is privileged to be the temporary custodian of two of the surviving, genuinely-issued notes of the Lawrence Bank. They saw heavy use in eastern Kansas during the early days of the Civil War and they may have been removed from the bank's safe or a citizen's pocketbook on that fatal day in August 1863 before being carried off into history. Such notes are historical treasures that conjure up tales of western lore and heroism by the pioneers who settled the western parts of America. I'd rather have a note like this, terrible condition and all, with its associated history, than almost any others . . . except possibly one of those Lawrence Bank notes with a genuine territorial date on it, . . . or maybe even those missing ledger pages. . . .

Anyone with information or other notes on this bank is requested to contact the writer through this magazine.

**Note:** Although the Lawrence Bank has not redeemed any of its notes in over 120 years, the writer guarantees to redeem, in genuine United States money, all notes of the bank forwarded to him. In fact you might even talk him into redeeming them in specie.

### NOTES

1. Laws of Kansas Territory, 1857. In the Statutes of the Territory of Kansas, 1855; Shawnee M.L. School, John T. Brady Public Printer, p. 186, Section 4 of an Act Concerning Corporations is found "No Corporation created or to be created and not expressly incorporated for banking purposes shall, by any implication or construction, be deemed to possess the power of discounting bills, notes, or evidences of debt; of receiving deposits; of buying gold and silver bullion or foreign coins; of buying and selling bills of exchange; or of issuing bills, notes or evidences of debt, upon loan or for circulation as money." This act, like its 1857 successor, was ignored.
2. Local Laws of the Territory of Kansas, p. 104, passed Feb. 19, 1857.
3. *Kansas and Kansans*; William E. Connelley, Vol. II, pp. 937, 938. Lewis Publishing Co., Chicago, N.Y. 1918. Invading Missourians had stolen the 1855 Territorial elections. They passed a pro-slavery constitution and set up a pro-slavery government. In protest, the free-state settlers attempted to set up their own government and refused to participate in general elections. By the fall of 1857 the free-staters had control of Kansas.
4. Chapter LX of the Private Laws of Kansas Territory repealed the Charter of the Kansas Valley Bank on Feb. 3, 1858. A subsequent act on Feb. 12, 1858 exempted the Atchison branch of the bank from the repeal. The Atchison branch was just about ready to open at the time.
5. *Banker's Magazine*, Vol. 12, 1857/1858, p. 757.
6. Presumably the bank ordered enough sheets to make up the \$25,000, or about 2300 sheets of \$1, 2, 3, 5. Hopefully, the records of the American Bank Note Company will become available to researchers some day so that such information can be verified.
7. *A Century of Commercial Banking in Kansas 1856 to 1956*, unpublished dissertation. Wayne D. Angell, University of Kansas, 1957. Spencer Library, University of Kansas, Lawrence, Kansas.
8. Executive Document No. 77, Serial No. 1101, 36th Congress, Second Session, p. 247.
9. The position of the Territorial Auditor, rather than Comptroller, was authorized by an act of the Territorial Legislature in 1859.
10. *The Birth of Kansas Politics*, G. Raymond Gaedert, PHD, Kansas Print Plant, Topeka, 1940. This book provides an excellent account of the bond scandal and the feud between Senator Lane and Governor Robinson.
11. Gaedert, p. 128.
12. "A Chapter From the Archives," G.W. Martin, 1912, *Kansas State Historical Society Collections*, Vol. XII, p. 368.
13. *United States Biographical Dictionary*, Kansas Volume, S. Lewis & Co. Publishers, Chicago & Kansas City, 1879, p. 160.
14. *A History of Lawrence, Kansas*, Richard Cordley DD, 1895, Lawrence Journal Press, Lawrence, Kansas, Chapter XV, pp. 198 to 232.
15. *Quantrill and the Border Wars*, William E. Connelley, 1956, New York, p. 373.
16. *Recollections of Early Days in Kansas*, Shalor W. Eldridge, Publications of the Kansas State Historical Society, Vol. II, 1920, Kansas State Printing Plant, Topeka, p. 193. See also *Gray Ghosts of the Confederacy, Guerrilla Warfare in the West, 1861-1865*, Richard S. Brownlee, 1958, Louisiana State University Press, Baton Rouge, p. 125.
17. Mr. Grovenor was also the first vice president of the National Bank of Lawrence when it opened in January, 1866. Ethan A. Smith was cashier of the new national bank. ■

## Catalog of Round Cardboard Scrip In Preparation

Of all the obsolete paper money issued in this country during the nineteenth and twentieth centuries, one of the types most neglected by researchers is round cardboard scrip. Used for the most part from the Civil War era to the 1930s, round cardboard scrip was issued by merchants in all parts of the country as a substitute for official currency.

SPMC member David E. Schenkman, the author of several definitive token references and the Token and Medal Society's publications editor, is compiling information for a catalog that will provide collectors with descriptions of all known issues of round cardboard scrip, from the earliest emissions to those of the 1940s. An exact face and back line description of each piece will be given, along with its size and color. The book will be extensively annotated with historical information relating to issuers of the scrip, and also its printers. A price guide will be included.



Example token from Virginia.

The assistance of SPMC members is needed to ensure that this reference is as complete as possible. If you own round cardboard scrip, please send an exact description of each piece, including its diameter in millimeters and the color of the cardboard, or a clear photocopy of each side. All contributors will be acknowledged in the book.

Correspondence should be sent to David E. Schenkman, P.O. Box 366, Bryantown, MD 20617. ■

## COUNTERFEITER (Continued from page 143)

Thomas Ballard could not cope with prison life. He tried repeatedly to get his sentence reduced by offering his "secrets" to the authorities. When these efforts failed he became depressed and on July 14, 1878 he attempted suicide by slashing his stomach. The prison doctors pulled him through. On April 16, 1879 he tried suicide again by cutting his throat and again, the medical staff saved his life. He finally died in some unspecified manner prior to 1886. Inspector Thomas Byrnes, Chief of Detectives of New York City from 1880-1895, wrote a book titled *Rogues' Gallery, 247 Professional Criminals of 19th Century America* in which he wrote the final words on a wasted life. "Thomas Ballard, for years known all over the Union as the King of Counterfeiters, died while serving out a thirty year sentence in the penitentiary at Albany, N.Y. . ."

### SOURCES:

- Dye, John S. (1880). *The Government Blue Book, A Complete History of the Lives of all the Great Counterfeiters, Criminal Engravers and Plate Printers*. Philadelphia.
- Excerpts from the *History of the United States Secret Service, 1865-1975*. (1978). U.S. Treasury Department, Washington, D.C.
- Various minor references in government publications.

# Make ine acerated

by BERTRAM M. COHEN

There are a lot of things that people like to do with money: spend it, save it, stack it, gamble with it, but you don't find great interest in wanting to "macerate" it. The word macerate comes from the Latin *macero*, *maceratum*, to make soft, from the same root as *massa*, a lump; to steep almost to a solution.

**I**T seems everyone has money problems. The Federal Reserve System is always on the lookout for new ways to dispose of worn-out currency. They literally have money to burn, but anti-pollution laws make that illegal. In the early days of U.S. paper money—the first United States notes were issued in 1861—worn notes were burned in furnaces, but that created disagreeable smoke and wasted the paper. There is an old story that sometimes on a windy day when the draft was very strong, partly burned notes would escape up the chimney, float over the city and settle down in the street to be gathered up and presented to the treasury again for re-redemption! That is why people in the Treasury Department often spoke of currency destruction as "the burning." This story actually cannot be vouched-for, and may have been slander started by some friend of the then new-fangled macerating system.

In the years from 1874 to 1942 currency considered unfit for circulation was destroyed by "macerating," a process of decomposing the paper by steeping it in a strong solution for several days which reduced the currency to pulp without recognizable features. The macerator was a huge spherical receptacle of steel which contained soda ash and lime water to destroy the identity of the currency. The average production of the macerating equipment was about seventy bales of pulp a day or a total weight of 17,500 pounds. The bales were usually stored in a yard near the macerator building. The look and texture of macerated sheets or cards was that of handmade paper and was grey in color, often with discernible bits of currency.

One of the many interesting and ingenious safeguards protecting the government from fraud in this process was the complex ritual that took place. Bills destined to be destroyed were counted, stacked according to denominations and drilled in all four corners to cancel them. The shape and size of the holes determined the assembly point for the worn currency. The bills were then cut in half horizontally. One half was shipped to the Treasury in Washington on one day, the remaining half on another. Upper and lower halves were never shipped on the same day. Every day at one o'clock three officials—the Treasurer, the Secretary and the Comptroller of the Currency—and a fourth official designated by the Secretary to represent the banks, assembled at the macerator to deposit the money to be destroyed. Each member of the destruction committee was provided with a special key for his individual lock on the macerating tanks so there was no way of removing any of the contents before they were totally destroyed. Each key-holder unlocked his respective lock. The lid was lifted. The packages of halved bank notes were brought and the macerator—a veritable hungry monster—received its million-dollar tribute. The lid was shut. The keys were

turned in the locks, the machinery was put in motion and the macerator began its revolutions. At the end of four or five days the maceration was complete. The committee of four returned to unlock a valve. The liquid pulp flowed out and was screened into a pit below.

Now the question: What was the government going to do with thousands of pounds of mushy paper pulp? At first, the sole use of the pulp was to transfer it to the Bureau of Engraving and Printing to be rolled out into sheets of bookbinder's board and sold for \$40 a ton. Naturally, in the land of opportunity, enterprising and creative merchants came up with ways to make new dollars from the old ones.

A Civil War veteran named Henry Martin, who was employed by the Treasury, got the brilliant idea to make "paper mache" sculptures from the macerated notes, which he hawked profitably to the tourists. An article printed in 1901 by Waldon Fawcett tells how Martin conceived the idea of turning supposedly worthless macerated money into profit. He said, "The stimulant for his (Martin's) inventive genius was the sight, one day, of a clerk who possessed of some artistic ability molding by hand a crude design for one of the Treasury officials who desired to preserve a wad of the dilapidated currency in this form. The quick-witted watchman, Martin, secured a key to the room in which the churnings of the macerator were stored and night after night he pursued his self-instruction in sculpture until he was master of his strange medium." Soon others caught on to the potential in making and selling macerated sculptures.

I have a macerated shoe whose back label reads, "Patented 1879." This article represents about \$5,000 and is made by J. Wolstonllertford, manufacturer, Washington, D.C. out of macerated greenbacks. The following advertisement of 1909 suggests that by then large businesses had an "in" with the Bureau and had access to macerated pulp:

## MONEY PULP SOUVENIRS

Articles made from Macerated Money that has been redeemed and destroyed by the United States Treasury, and made in souvenirs and sold to visitors at the entrance to the Bureau of Engraving and Printing or at the place of manufacture across the street. Everyone should have a souvenir of old money.

National Currency Souvenir Co.  
210 Fourteenth Street S.W.

Items appeared in three basic forms: postcards, plaques or free standing, upright objects, such as the Washington Monument, busts of Lincoln, plaques of the Capital building and George Washington, shoes in the style of Louis IV, etc. Attached to the back of each souvenir was a label estimating the value of the notes contained therein. Some of the more unique items were:

1. A six inch canoe with U.S. stamps issued about 1890 decorating the sides.
2. A five inch squirrel with two black glass eyes, sitting in an upright position, eating a nut. A label on the bottom is handwritten in ink with what appears to have been a quill pen, putting the date ca. the late 1800s.
3. Three inch bas-relief plaque of the Capitol with red, white and blue flag showing a "C" and "E" for Christian Endeavor 1896.
4. Three sizes of round paperweights, with outer circle showing old currency pasted on the plaque. One paperweight includes an 1818 large cent in the center and was issued by New York numismatist Thomas L. Elder. The second contains a California U.S. Assay Office replica \$50 gold slug. There are various other designs in existence. According to the Elder ad the paperweights are estimated to contain \$500 in macerated currency.
5. An eight inch rectangular picture frame with oval opening and indistinct raised garland ornamentation—medium gray, sur-



There is a facsimile of the Washington Monument made from destroyed U.S. paper money, the value of which is estimated to have been \$10,000. If made from all \$10,000 notes, the estimated value would be \$500,000.

"Treasury Department, Washington, D.C. Jan. 23, 1910. Memorandum for Mr. Ralph: Please give Mr. Snyder every facility possible under the regulations in securing macerated money which he seeks.

L.A. Collidge, Ass't. Sec. of Treasury  
Bureau of Engraving and Printing  
Treas. Dept. Wash. D.C.  
Octo. 30, 1911."

This souvenir is made of pulp purchased from the Bureau of Engraving and Printing. The pulp was obtained by maceration of United States paper money unfit for circulation. The notes were placed in cylindrical boilers together with water and chemicals; steam was used to boil the water and the boilers were revolved for several days; the notes were then a perfect pulp without trace of printing.

All U.S. paper money is engraved, printed, numbered and sealed at the Bureau of Engraving and Printing, on distinctive localized-silk-fibre paper made of the very best linen at the paper mills at Dalton, MA under strict government supervision, is issued by the Treasury Department, becomes the people's medium of exchange and, after becoming worn out and dirty, for many years was redeemed and made into pulp, some of which was used by Charles A. Snyder, 742 Sixth Street N.W. Washington, D.C. to make this souvenir.

"This is to certify that Mr. Chas. A. Snyder has purchased from this Bureau wet pulp macerated from the U.S. Securities and has paid in full for same to date.

A.P. RUTH, Chief Clerk."

"I delivered to Chas. A. Snyder 4 bales, 500 lbs. each of pulp on Aug. 7, 1911.

E.L. BEECH, Storekeeper"

"I, C.A. Snyder, solemnly affirm that this monument is made of the material so obtained. CHAS. A. SNYDER, 742 Sixth St., Washington, D.C."

The foundation of the monument was laid July 4, 1848, and the topmost stone of the pyramid was placed December 6, 1884. Depth of the foundation is 38 feet; base of the shaft is 55 square feet; lower walls are 15 feet thick. The foundation has an area of 16,000 square feet. The weight of the monument is 81,120 tons. The number of stones used in the shaft of the monument is 23,000; weight of capstone 3,300 lbs. The taper of the monument is one quarter of an inch to the foot. Height of the monument is 555 feet 5½ inches. The last landing is 500 feet from the first floor. Cost of the monument was \$1,187,710.31. There is room enough in the interior to house an army of 12,000 men.

face uneven. The label on the back states that \$50,000 of macerated money was used in making it.

I have ten different types of postcards in my collection, both used and unused, dating between 1905-1909. They are all very rare, but a few sometimes show up in postcard auctions or at coin shows. One that occasionally appears has an eagle in the upper left-hand corner and bears "Made from the pulp of bank notes redeemed and macerated by the U.S. Treasury, Washington, D.C. Estimated to contain \$200." This type of card was published by J.F. Jarvis of Washington, D.C. Another type of card has used stamps pasted on one side with the following quote from Josh Billings: "Konsider the postage stamp my son. Its usefulness konsists in its ability to stick to one thing until it gets there." "This Card is Made of the Refuse Money Procured from the U.S. Government. Several Dollars are Used in Manufacturing Each Card." It was published by W.M. Beach, Roxbury, Massachusetts.

Another card that may turn up at an auction shows the Treasury Building where the macerated money was made. The card states, "Made from the pulp of bank notes redeemed and macerated by the U.S. Treasury, Washington, D.C. Estimated to contain \$200." I have this card in two thicknesses. This was published by the U.S. Souvenir Co.

I also have seven other types of cards that are probably unique. One is just a plain blank card on one side and the usual statement about containing \$200 on the other, and I have both an unused and a used card dated 1909.

Five other cards are very unusual. They are about a quarter of an inch thick and have pieces of currency pasted on one side. One has illustrations of George and Martha Washington affixed, slightly resembling the back of the series 1896 \$1 silver certificate. Another has a large profile of George Washington. Each of the others in the collection is different from those described. One that is probably unique is an oversized postcard like those issued in Europe. However, printed on one side is the date, 1905, Washington, D.C. with a black porter shown in the bottom left-hand corner. Located at the bottom right-hand corner is a child, dressed like a pirate with a sword, pulling a toy train. The statement, "This card made from redeemed greenbacks macerated by the U.S. Treasury is estimated to contain \$2,000" is shown in the upper right-hand corner. The opposite side is blank, except pieces of U.S. currency can still be recognized. There are probably a few other types of postcards similar to some that are mentioned in this article.

There are several books that I know of which contain a sheet of macerated currency. One book states "William Cox, Editor of the Washington Meeting of the American Bankers Association: Souvenir Volume issued in Washington, D.C. 1905" and contains a half-title printed in brown ink. Another book I have heard about, but not seen, is titled, *Inaugural Souvenir 1901*. It was issued by the Inaugural Committee, Washington, and dated MCMI.

Until June 30, 1929, macerated currency was sold to the highest bidder. By that time, however, bids for the pulp were less than the cost of macerating the currency. Also, compared to the amount of money that was being destroyed daily, only a small quantity of the pulp was being sold. That may be one of the reasons the process was discontinued. Another could be the valuable space required for storage of the macerated currency.

During the 1970s, environmental concerns over burning currency resulted in a gradual return to maceration. This time, however, the notes were simply shredded and not subjected to harsh chemicals.

# ADRIAN SHARP

Xylographer (wood carver)

*He contributed to Upham's "fac-similie" notes.*

by ROBERT J. LINDESMITH

**N**EARLY everyone who has collected the "Upham 'Fac-similie' Confederate and Shinplaster notes" has noted that the name "ADRIAN SHARP" still appears on the lower right margin of a number of the 10¢ Bank of Tennessee notes that have had the Upham imprint removed from the bottom margin of the note. As the genuine 10¢ Tennessee note has the imprint "J. Manouvrier, N. Orleans, La.," there has been a question as to whether ADRIAN SHARP worked for Manouvrier or was located in Philadelphia. The following would clearly seem to indicate that he was a Wood Engraver in Philadelphia.

I recently consulted a 1922 article in *THE NUMISMATIST* on "How To Detect Counterfeit Confederate Notes." This short article mentions that the *Augusta (GA) Chronicle* dated shortly before Sept. 10, 1862 describes a counterfeit \$10 note dated Sept. 2, 1861 that was in circulation, in that city, with the words "Adrian Sharp, Sc." on the lower left-hand corner. From the description, it is clearly an Upham facsimile of the Criswell T22 Confederate note.

While Philip H. Chase makes a reference to this Jan. 1922 article in his 1947 "Confederate Treasury Notes," he evidently overlooked the importance of this listing as regards the Upham



S.C. Upham, of Philadelphia, PA, Civil War facsimile note with the "ADRIAN SHARP" name and his No. 1 "FAC-SIMILE REBEL SHINPLASTERS" imprint.



A close copy of the Upham note. There is a major variation in the train, and the note lacks a period after 1861. No record of an imprint on the bottom and left margin.

facsimile notes. His main interest seemed to be centered on the genuine issues of Confederate notes, although he did make an effort to list the facsimile-type counterfeit notes.

After Sam Upham had acquired electrotypes of the T31 Criswell note from the *Philadelphia Inquirer* and the T10 from the *Frank Leslie's Illustrated Newspaper*, it would appear that he next had Adrian Sharp prepare woodcut copies of the Criswell T22 Confederate note and the 10¢ Bank of Tennessee note. As it was a common practice of the early wood engravers to sign their works, this would explain why his name was added to the above two notes. It is evident that he soon learned that it was not wise to indicate who was making the copies of the Confederate notes.

Evidently the above lesson was learned at an early date as there are no known specimens of T22 Upham facsimiles with the Adrian Sharp name. This would suggest that the Sharp name was removed from the electrotype of this note in the production.

The simplest way to determine whether a T22 note is genuine or an Upham print is to confirm the red background on the lower portion of the note. On the genuine \$10 note produced by the Southern Bank Note Co. of New Orleans, the background is made up of a large number of small red TEN's. On the Upham note, the background is made up of a large number of small red dashes.

Brent Hughes lists two varieties of the S.C. Upham facsimiles of the Criswell T22 \$10 September 2, 1861 Confederate note. One has the serial number 3312 printed; the other has a blank space for a written serial number. He illustrates a note with the capital letter imprint: "FAC-SIMILE CONFEDERATE NOTE—SOLD WHOLESALE AND RETAIL, BY S.C. UPHAM, 403 CHESTNUT STREET, PHILADELPHIA." The McCarl (1990) article also illustrates a note with this imprint. Larkin (1988) illustrates a note with the capital and small letter imprint "Fac-Simile Note—Sold Wholesale and Retail, by S.C. Upham, 403 Chestnut St. Philadelphia." While the numbers 3312 ap-



The printed number 3312 variety of the Upham facsimile copy of the Type 22, CSA \$10 note. The top of "S" of September is open.



The Upham variety of Type 22 printed without a number. This note has a written number 2874. The top of the "S" of September is open.



A somewhat crude copy of the Upham note; it lacks numbers and "New Orleans" on the lower left edge. No record of an imprint on the bottom or the left edge.

pear to be printed, the illustration is too small to make a positive statement.

There is also a somewhat crude copy without numbers that lacks "New Orleans" on the lower left edge of the note. I believe that this note is also found with printed 3312 numbers, although I have not seen it.

McCarl (1990) illustrates two notes with different "Fac-Simile Confederate Note" imprints on the left edge. They are not numbered. While I happen to believe that they may represent the very good copies made by Haney & Hilton of New York, I have not reached the point where I could make a positive statement on the subject. I do know that if these are not Haney & Hilton copies, it would be very difficult to list the copies that upset S.C. Upham in his October 12, 1874 letter to Dr. William Lee.

It would appear that Upham printed a very large number of the facsimile 10¢ Bank of Tennessee notes before the "ADRIAN SHARP" name was removed. I suspect this was due to the fact that it was not a Confederate government issue.

#### THE DIFFERENT TYPES OF SAM UPHAM IMPRINTS USED ON THE 10 CENT BANK OF TENNESSEE NOTES

The first imprint is in capital letters and the other three are in capital and small letters—the variations appear in the abbreviations used for Street and Philadelphia.

**No. 1.** "FAC-SIMILE REBEL SHINPLASTERS.—SOLD WHOLESALE AND RETAIL, BY S.C. UPHAM, 403 CHESTNUT STREET, PHILADELPHIA."

This 10-cent Tennessee note is illustrated.

**No. 2.** "Fac-Simile Rebel Shinplasters.—Sold Wholesale and Retail by S.C. Upham, 403 Chestnut St. Phila."

The above style of Upham imprint appears on the sample Upham facsimile notes that appear on the back of the May 1862 S.C. Upham's Advertisement for "Rebel Notes, Shin Plasters and Postage Stamps." The Sept. 25 & 26, 1987 NASCA CONFEDERATE SALE of the Douglas B. Ball Collection, under lot 840, illustrates the 10¢ Tennessee note and the 50¢ Georgia notes that appeared on the back of the May 1862 advertisement that was once held by Philip H. Chase.

**No. 3.** "Fac-Simile Rebel Shinplaster.—Sold Wholesale and Retail, by S.C. Upham, 403 Chestnut Street, Phila."

10¢ note of the Bank of Tennessee. Illustrated by Robert S. Larkin. There is no evidence to indicate whether this imprint was used before No. 2 or after.

**No. 4.** "Fac-Simile Rebel Shinplaster.—Sold Wholesale and Retail by S.C. Upham, 403 Chestnut St. Philadelphia."

Garland 847 listing would seem to indicate that the above Upham imprint appears on a note that lacks the name ADRIAN SHARP in the lower right corner. The listing of the imprint matches the No. 4 imprint. Garland 848 lists a note with the Upham imprint and the name ADRIAN SHARP in the lower right corner.

The above Garland listings would indicate that the ADRIAN SHARP name was removed from the electrotype prior to the printing of the No. 4 imprint.

The Haxby listing illustrates this note, which appears to have this imprint, but the illustration is too small to make a positive identification. TN-195 G54b

In addition to the above facsimile notes there is a facsimile copy of the Upham 10¢ note. Garland No. 850. The first long car of the train shows only one wheel, while the Upham and Sharp facsimiles show two wheels. An easy way to tell the notes apart is that the copy of the Upham note does not have a period after 1861.

Of interest in the above study of Sam Upham imprints found on the 10¢ Bank of Tennessee notes, I should mention that the Upham facsimiles of the 50¢ Mechanics' Savings and Loan Association, Savannah, GA notes are also known with the same four Upham imprints. Brent Hughes, in "The Saga of Sam Upham," illustrates the No. 1, 3 and 4 imprints. The No. 2 imprint is illustrated by Larkin (1988) and by Henry McCarl (1987). In the NASCA "RICHMOND," Sept. 25 & 26, 1987 Sale, Douglas B. Ball illustrates the No. 2 imprint on a 10¢ Tennessee note and a 50¢ Georgia note that were found on the back of a May 1862 advertisement which was originally in the Philip H. Chase collection.

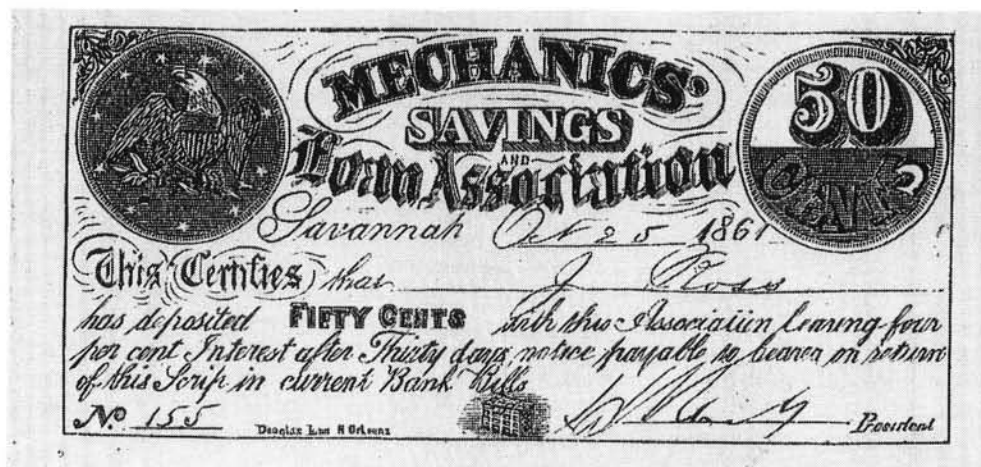
In regards to the S.C. Upham 50¢ Mechanics' Savings and Loan Association of Savannah, GA note, I have had the 50¢ note with a No. 1 Upham imprint and a copy of the Upham note in my collection since 1957. The genuine note that this



A genuine note of the Mechanics' Savings and Loan Association of Savannah, GA. Wismer 680 & Hatie GA-17. This note is the same as Wismer 681 & Hatie GA-21, with one exception. This note has "50" in the upper right corner, while the other note has "50" in upper half of bisected circle with CENTS in lower half of circle.



An S.C. Upham facsimile note that has the No. 1 "FAC-SIMILE REBEL SHINPLASTERS" imprint.



A close copy of the Upham note. The stars are spaced differently around the eagle on left, and the note lacks a period after "Bank Bills." The note also has a wide bottom and left margin which shows that it did not contain an imprint.

was copied from is evidently very rare, as I have yet to see a note or an illustration. Wismer 681 lists the note with a written date of Nov. 1861. His reference to it as being "Similar to 650" (5¢ note) would suggest the following listing: C., at bottom a chest. R., 50 Cents on die. L., eagle on die with 11 stars, similar to the reverse of U.S. coin. Type-set. Wismer 680 lists the 50¢ with only "50" in the upper right corner. Otherwise it would be identical to the Wismer 681 note. The 680 note has a "Written date 16 Dec., 1861." Wismer 668 has the following listing: 25¢ Similar to 650. Written date, Oct. 25, 1861. This would indicate that the 50¢ note could also have the same date.

Just recently I purchased another copy of the Upham 50¢ note because it had a wide margin on the bottom edge and on the left edge. It was also listed as an UPHAM certificate. I mention this because it could lead some collectors to believe that Upham issued some of the 50¢ notes without an S.C. Upham imprint on the bottom. The only major difference between the two notes is the position of the 11 stars around the eagle on the left. On the Upham note there are five stars close together on the bottom. The other six are spaced on the upper edge. On the copy, the 11 stars are spaced rather evenly around the eagle. One easy way to identify the copy is that it lacks a period after "Bank Bills" while the Upham facsimile has a period. This copy also belongs to a group of notes that were copied from Upham facsimile notes, but they have some major variations that would tend to rule them out as being exact copies.

I have also noted two instances where one of the above two notes was listed without a number. Crisp and VF condition. Unfortunately, the listings do not give any clue as to which note lacked the number. In any event, it would represent another variety.

Other than the Brent Hughes (1987) reference to his having evidence that a copy of the Upham \$20 *Female Riding Deer* Confederate note was created during the Civil War, I have not

found any other dating reference to this group of copies that have a major variation from the Upham facsimiles. It is possible that some of these notes were printed in Philadelphia, to be sold at the various National Encampment G.A.R. conventions that were held from 1866 to at least 1891. I have a medal that was issued for the 28th National Encampment G.A.R. Pittsburgh, PA September 1894, Rev. Jos. M. Schaefer. Also a medal that was issued for the Annual Encampment Dep't of Pennsylvania Shamokin February 1890 G.A.R. This could explain why S.C. Upham did not mention this group of copies of the Upham facsimile notes in his October 12, 1874 letter to Dr. William Lee.

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## MACERATED (Continued from page 156)

Harry Forman and Ruth Bauers of Forman Enterprises, Ltd., Philadelphia, PA bought bales of currency from the government and made pillows and packets of money for sale to collectors. If you needed an "expensive" pen for signing big checks and important letters, you could get one filled with about \$2,000 of shredded currency. Cleveland coin dealer, Harry Jones, made ballpoint pens filled with thousands of dollars of shredded bills. At one time the Federal Reserve Bank of Minneapolis gave a packet of five shredded bills to those participating in tours of the facility.

The nation's Federal Reserve Banks destroy more than \$100 million in paper money daily! The creative possibilities for those old greenbacks are endless. In 1988, Craig Whitford of the Numismatic Card Co. of Michigan made an interesting postcard that included a piece of paper from shredded U.S. paper money as part of its design. In 1989, he also made some postcards similar to the old type with the following label "Handmade from the pulp of shredded U.S. Currency. Estimated to contain \$200."

There is a scarcity of authoritative information concerning macerated money. I would appreciate hearing from others who will share their knowledge, articles and information with me as I prepare the first publication of a book on this subject. Some articles can be found in the following well-known magazines: *Coin World*, *Frank Leslie's Illustrated*, *Harpers' Weekly*, *Numismatic News*, *Numismatic Scrapbook*, *The Numismatist*, and *The National*. Perhaps there are other out of print magazines with information about maceration. Please note that the titles of these articles will not be "maceration," but will rather be listed under Treasury Department destruction or production of money or perhaps people who sold the items may have advertised them for sale. Your cooperation will be most appreciated. Information may be sent to the author at: 169 Marlborough St., Boston, MA 02116.

Bertram Cohen was born in Boston, Massachusetts in the 1930s, when macerated money was being made. He is actively involved in coin and stamp collecting and has collected marbles for the past 25 years. In April 1988 his marble collection was featured on the cover of *Smithsonian Magazine*. He has been a collector of macerated money for ten years. ■



## Noted & Passed

Austin M.  
Sheheen

Dear Friends:

This is my first report to you as your new President. I will be reporting to you many times in the coming months. Having just returned from Memphis, I can tell you our hobby is as strong as ever and continues to grow in spite of the problems in some of the other hobbies. Memphis is truly the highlight of the year for paper money collectors and dealers. If you are not a regular attendee at Memphis you should start to plan now for next year. You won't be disappointed.

Now let's talk a little bit about *your* organization, SPMC. I have been in the hobby for many years and know what a fine job so few have done for us. The problem is that so few have had to do it all. I want to change things in the future. This is your organization and it should do for you what you want done.

We need to hear from you—each one of you.  
Some of the things on our agenda are:

1. Publish minutes of all meetings.
2. Publish financial statements frequently.
3. Increase magazine contract—articles and advertising.
4. Review by-laws for any necessary revision.
5. Increase membership (How?).
6. Involve the members in the society.
7. Board to meet more frequently.
8. Executive Committee composed of officers to act between board meetings.
9. Publish information about our members and their paper money activities.
10. Increase number of candidates for all society positions.
11. Get our Wismer Project (book publications) jump-started and moving again.
12. Get each one of you to send an article for publication, short—long—beginner—advanced—U.S.—foreign—your choice, but want you to participate.

The above is only a list to begin with. Once we start to hear from you it will get much longer. In short, it means serve you.

I want you to tell me how we can get this organization to serve you. Surely we are capable of more than just a few thousand members. Surely you want our Society to grow and prosper. Let me hear from you. I will respond. Finally, let me thank each of our appointed and elected officers, board members, and committees. A special thanks and recognition to Dick Balbaton, our most recent past president for a job well done.

## IN MEMORIAM

On July 1 in Palatka, Florida, paper money specialist Charles J. "Chuck" O'Donnell died. He was a native of Georgia, born in Atlanta on 3 July 1914.

Chuck attended the University of Georgia where he majored in mathematics and languages. He graduated from Woodrow Wilson College of Law in Atlanta and was admitted to the Georgia Bar in 1937.

Like most of us, he first collected coins; however, by 1960 Chuck developed a keen interest in small-size U.S. paper money. The 8th edition of his *Standard Handbook of Modern U.S. Paper Money* is scheduled for release later this year.

Chuck served as a SPMC Governor from 1967–1980. He was also a member of the ANA Board of Governors in the late 1970s. Chuck was a member of at least a dozen regional and national numismatic and syngraphic organizations.

Those who collect and study small-size U.S. bank notes owe a debt of gratitude to Chuck for his research in this area. His printed work will keep his memory alive.



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tion with your price. Lawrence C. Feuer, 22 Beechwood Blvd., Rye Brook, NY 10573. (155)

**OHIO NATIONALS WANTED.** Send list of any you have. Also want Lowell, Tyler, Ryan, Jordan, O'Neill. Lowell Yoder, 419-865-5115, P.O. Box 444, Holland, OH 43528. (163)

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**PRIVATE COLLECTOR wants MAINE NATIONALS.** Attempting most definitive collection of state ever assembled: want rare banks, high denominations, red seals, 1st charters, value backs, etc. Andrew Nelson, P.O. Box 453, Portland, ME 04112. (158)

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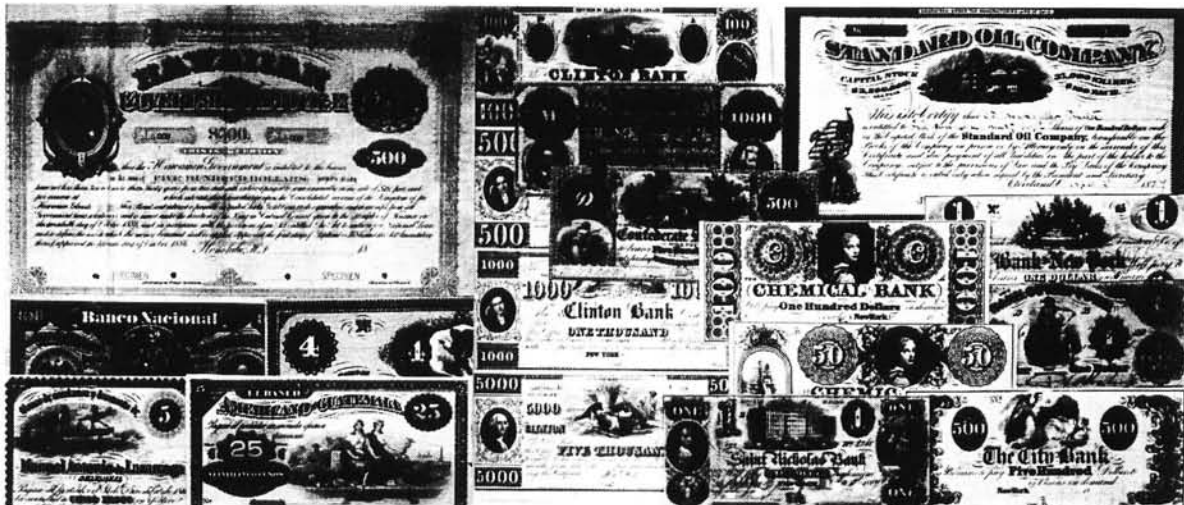
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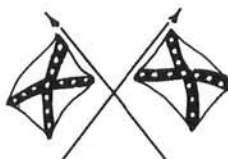


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This month I am pleased to report that all sizes are in stock in large quantities so orders received today go out today. The past four years of selling these holders has been great and many collections I buy now are finely preserved in these. For those who have not converted, an article published this past fall in *Currency Dealer Newsletter* tells it better than I can. Should you want a copy send a stamped self-addressed #10 business envelope for a free copy.

Prices did go up due to a major rise in the cost of the raw material from the suppliers and the fact that the plant workers want things like pay raises etc. but don't let a few cents cost you hundreds of dollars. You do know—penny wise and pound foolish.

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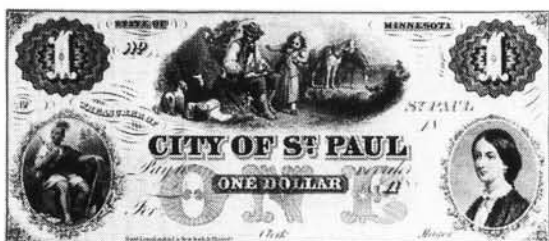
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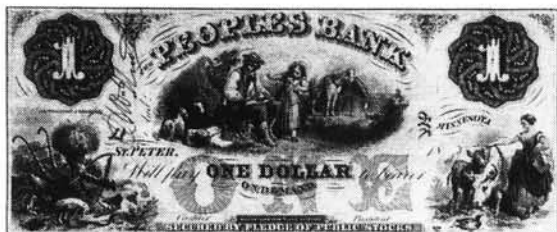
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# FRANCE WANTED!



Please help me build my collection. I need the following notes and will pay top collector prices to acquire them. May I hear from you soon?

- Important Type Notes from about 1750 to date.
- Specimen Notes AU or better.
- World War I and II Locals — these can be Chambers of Commerce, Merchants, Factories, Mines, etc.
- Encased Postage Stamps — even some very common pieces are required.
- Postcards that show French Banknotes.

I am a very serious collector of these items and have been known to pay some sky-high prices for needed items. Priced offers are preferred as I can't tell you what you should get for your material! Finders fee paid for successful referrals! If possible please provide me with a photo-copy of item(s).



## R. J. BALBATON

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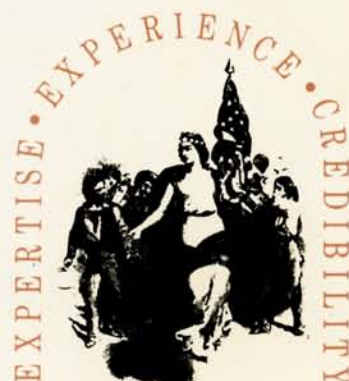
NORTH ATTLEBORO, MASSACHUSETTS 02761-0911

Tel. 1-508-699-2266 Days

OUR Cherry Hill Auction scheduled for September 27th in connection with the GENA Convention is shaping up to be a rewarding event for us all. Dr. Aspen's extensive silver certificate collection will be the highlight of the sale with a great selection of pairs, blocks and serial numbers all in the best condition he was able to obtain. Two 12 subject uncut sheets, a 1935 and 1935-A, will be sold. A 1928-E Star note in Fine plus, one of only six known, should prove to be the most sought after lot. Numerous Federal Reserve notes including label sets will be included. A very rare Military Payment Certificate, the \$5.00 Series 471 in Very Fine condition as well as a Gem CU \$10.00 Series 651 will be in the sale along with a couple of dramatic error notes. Numerous advertising notes and stock certificates from the Philadelphia area as well as satirical and propaganda notes will also be available. An interesting \$10,000.00 New York Gold Bond, sold to fund Military bonuses for World War one service and issued to the Vanderbilt family is included in the sale. Several interesting Confederate items including a ten dollar note captured at Appomatox and a piece of the flag from the Capitol in Richmond.

We have confined the location material for this sale to the nine state area around Philadelphia. Over two hundred lots of Pennsylvania material will be sold. The numismatic legacy that comes down to us from Philadelphia constitutes an embarrassment of riches greater than that of any other American city. Not only did the City of brotherly love have our first and most important mint, but also the first and second Bank of the United States, the Bank of North America, the number one First National Bank, the vast amount of material generated from the Centennial Exposition in 1876, and all the medals and vignettes associated with Benjamin Franklin, Independence Hall and other individuals and events too numerous to mention. In our Cherry Hill catalog will be found what must surely be the largest group of transit stock certificates from a single community ever offered for sale. Over seventy five different documents of Philadelphia transit companies are featured. Vignettes of horse cars, trolleys and steam engines abound in this group. These certificates should appeal to collectors of transit token and rail road buffs as well as those interested in the vignettes and local history. Don't miss this one.

We are open to a Spring 1992 Auction and we are presently considering several possibilities. If the time to sell is in your plans, and you have a collection suitable for an auction or one an auction can be built around, we are qualified and prepared to hold the sale at the most advantageous location your material warrants. Nationals and obsolete notes in particular benefit from being sold in the area where they originated.



**HICKMAN AUCTIONS INC.**

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